

# BARONSMEAD

Baronsmead Venture Trust plc

# 2020

Half-yearly report for the six months ended  
31 March 2020



# About Baronsmead Venture Trust plc

## Our Investment Objective

Baronsmead Venture Trust is a tax efficient listed company which aims to achieve long-term investment returns for private investors, including tax-free dividends.

## Investment Policy

- To invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM.
- Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value.

## Dividend Policy

- The Board will, wherever possible, seek to pay two dividends to Shareholders in each calendar year, typically an interim in September and a final dividend following the Annual General Meeting in February/March;
- The Board will use, as a guide, when setting the dividends for a financial year, a sum representing 7 per cent of the opening NAV of that financial year.

## Shareholder choice

The Board wishes to provide shareholders with a number of choices that enable them to utilise their investment in Baronsmead Venture Trust in ways that best suit their personal investment and tax planning requirements and in a way that treats all shareholders equally.

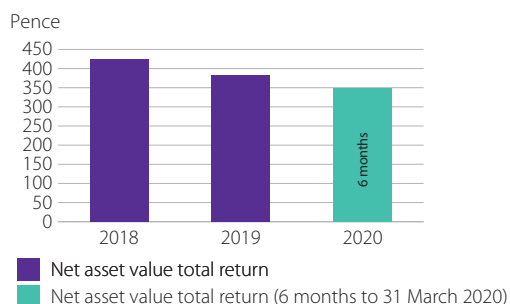
- **Fund raising** | From time to time the Company seeks to raise additional funds by issuing new shares at a premium to the latest published net asset value to account for issue costs. This enables shareholders seeking additional investments to do so with taxation relief.
- **Dividend Reinvestment Plan** | The Company offers a Dividend Reinvestment Plan which enables shareholders to purchase additional shares through the market in lieu of cash dividends. Approximately 964,000 shares were bought in this way during the six months to 31 March 2020.
- **Buy back of shares** | From time to time the Company buys its own shares through the market in accordance with its share price discount policy. Subject to certain conditions, the Company seeks to maintain a mid market share price discount of approximately 5 per cent to net asset value.
- **Secondary market** | The Company's shares are listed on the London Stock Exchange and can be bought or sold by shareholders using a stockbroker or authorised share dealing service in the same way as shares of any other listed company.

## Financial Headlines

£25m

### Funds raised

£25m raised in the  
period (£24.2m after costs).



### Net asset value total return<sup>1</sup>

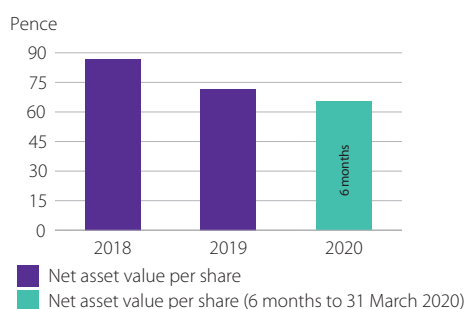
Net Asset Value ("NAV") total return to shareholders for every  
100.0p invested at launch (April 1998).

349.1 p

3.0p

### Dividends in the period

Interim dividend declared to be paid 11 September 2020.



### Net asset value per share<sup>1</sup>

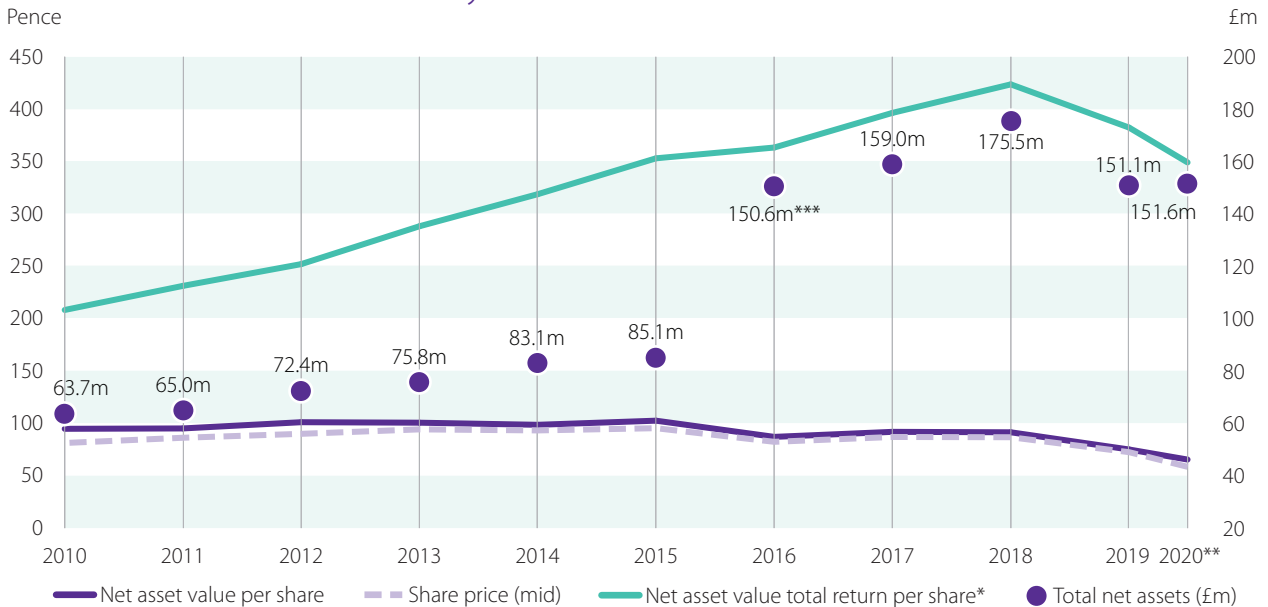
NAV per share decreased 8.6 per cent to 65.4p in the  
six months to 31 March 2020, before deductions of dividends.

(8.6)%

1. Alternative Performance Measure (APM) – please refer to glossary on page 20 for definitions.

## Performance Summary

### Net Asset Value in the last ten years



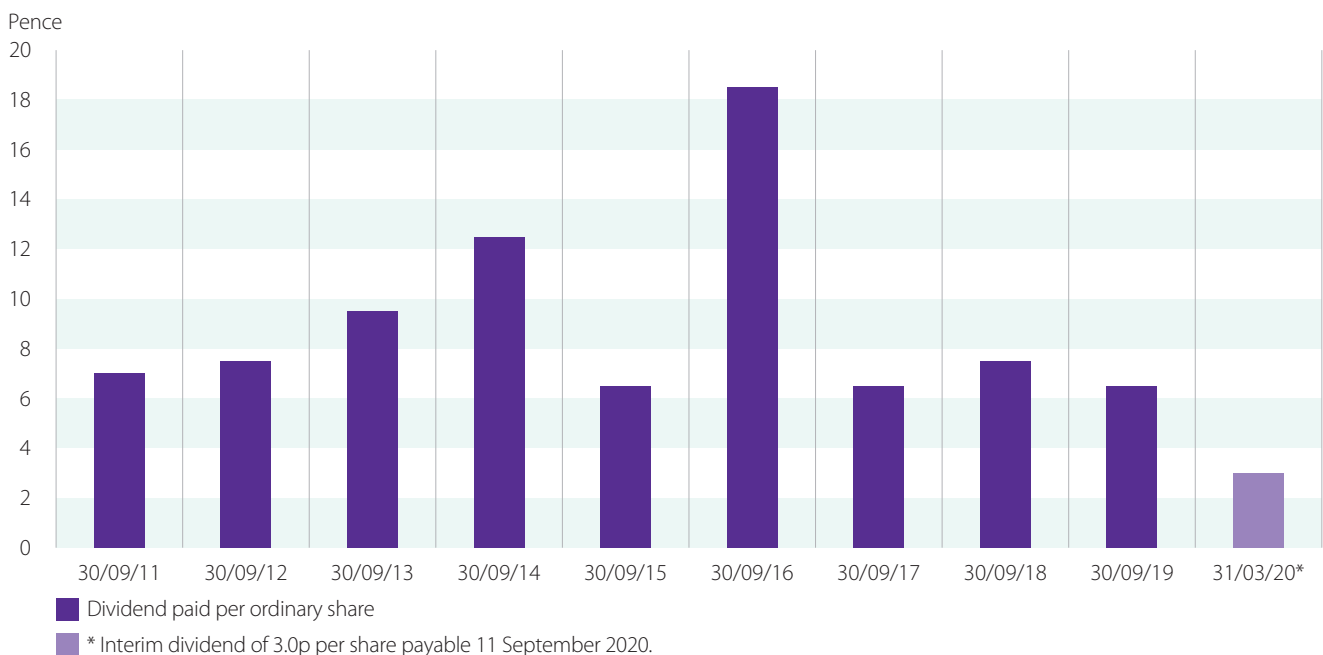
\* Net asset value total return (gross dividends reinvested) rebased to 100p.

Source: Gresham House Asset Management Ltd

\*\* Six months to 31 March 2020.

\*\*\* Net asset value increased as a result of the merger of Baronsmead VCT plc and Baronsmead VCT2 plc on 8 February 2016.

### Dividend History in the last ten years



## Cash returned to shareholders by date of investment



\*Includes interim dividend of 3.0p per share payable 11 September 2020.

The table below shows the cash returned to shareholders that invested in **Baronsmead Venture Trust plc** dependent on their subscription cost, including the income tax available to be reclaimed on the subscription.

Year subscribed	Cash invested (p)	Income tax reclaim (p)	Net cash invested (p)	Cumulative dividends paid# (p)	Return on cash invested# (%)
1998 (Apr)	100.0	20.0	80.0	163.9	183.9
1999 (May)	102.0	20.4	81.6	160.4	177.3
2000 (Feb)	137.0	27.4	109.6	157.2	134.7
2000 (Mar)	130.0	26.0	104.0	157.2	140.9
2004 (Oct) – C Shares*	100.0	40.0	60.0	113.0	153.0
2009 (Apr)	91.6	27.5	64.1	96.0	134.8
2012 (Dec)	111.8	33.5	78.3	70.5	93.1
2014 (Mar)	103.8	31.1	72.7	53.0	81.1
2016 (Feb)	102.8	30.8	72.0	38.5	67.5
2017 (Oct)	94.8	28.4	66.3	20.5	51.6
2019 (Feb)	84.2	25.3	58.9	14.0	46.6
2019 (Nov)	76.8	23.0	53.8	6.5	38.5
2020 (Jan)	82.4	24.7	57.7	6.5	37.9
2020 (Feb)	80.1	24.0	56.1	3.0	33.7
2020 (Mar)	63.8	19.1	44.7	3.0	34.7

\* Share dividend calculated using conversion ratio of 0.9657, which is the rate the C shares were converted into ordinary shares.

# Includes interim dividend of 3.0p per share payable 11 September 2020.

## Chairman's Statement



**Peter Lawrence**  
Chairman

The six months to 31 March 2020 produced an unprecedented challenge for the portfolio as the spread of COVID-19 accelerated and the UK went into lockdown. Gresham House, the Investment Manager, has been working closely with investee companies to help them navigate through the highly disruptive and uncertain environment. While the value of the portfolio has been adversely affected, the Manager has been pleased with the response from the portfolio company management teams to the crisis. We are also encouraged by the follow-on investments that are being made to continue supporting the growth plans of our ambitious and innovative investee companies.

The Board is pleased to declare an interim dividend of 3p to be paid in September 2020. The dividend will be paid from realised capital profits generated from portfolio companies.

### RESULTS

During the six months to 31 March 2020, the Company's NAV per share decreased 8.6 per cent. from 71.6p to 65.4p after the payment of a final dividend of 3.5p per share on 6 March 2020. The fall in NAV was a result of both the exposure to falling equity markets through the AIM listed holdings and Equity Fund investments, and a decrease in value of a number of unquoted companies due to the impact of COVID-19.

The table below shows the impact of the market volatility in February and March following a strong performance in the portfolio during the first quarter of the financial year.

NAV	Performance	NAV	Performance	NAV
30 Sep 19 <sup>1</sup>		31 Dec 19 <sup>1</sup>		31 Mar 20
71.6p	7.7%	77.1p	(15.2%)	65.4p

<sup>1</sup> Adjusted for 2019 final dividend paid 6 March 2020.

The 30 April 2020 NAV was 69.9p, a 6.9 per cent increase following a material recovery in the value of the quoted portfolio during the month.

### PORTFOLIO REVIEW

The table below provides a summary of each asset class and the return during the period.

Asset class	NAV (£m)	% of NAV	Number of investees	% return during the period
Unquoted	39	26	32	(13)
AIM-traded companies	47	31	47	(7)
LF Gresham House UK Micro Cap Fund	22	15	44	(13)
LF Gresham House UK Multi Cap Income Fund	3	2	47	(10)

Gresham House ("The Investment Manager") has undertaken a thorough review of each investment to identify risks and prioritise activity across the portfolio. The Investment Manager is engaging with the management teams within the portfolio to proactively share insight and best practice, as well as providing access to operational and financial support.

The impact within the unquoted portfolio has been most significant across our multi-site casual dining and nursery chain businesses. Investments in consumer travel and fashion have also seen a material decline in demand. The Investment Manager is working actively with our unquoted portfolio companies to help them develop short term plans to mitigate the impact of the current crisis. The Investment Manager has worked closely with each of these businesses to develop plans to reduce costs and preserve cash to weather the storm. Conversely, the technology and healthcare businesses in the portfolio have been more resilient and are now starting to take advantage of new opportunities driven by the changes in consumer demand and ways of working.

The direct AIM investments and our Equity Fund portfolios each experienced a material reduction in share prices between mid-February and mid-March, reflecting deteriorating sentiment and uncertainty about the economy, corporate earnings and in some cases, balance sheet resilience. The weighting of the quoted portfolio towards the technology and healthcare sectors, which have proven more resilient to the early impact of COVID-19, has enabled share prices to recover materially towards the end of the period and further during April 2020.

The Investment Manager's assessment of the quoted portfolio shows that the health of the majority of companies is robust. Many of the larger quoted investments have been long-term

## Chairman's Statement

holdings and are well known to the Investment Manager. These companies are typically profitable, cash generative businesses with low levels of financial gearing and continue to have attractive long-term growth prospects.

### INVESTMENTS AND DIVESTMENTS

The Company's investments and divestments during the period are set out in the tables on page 8.

#### Investments

I am pleased to report that the Company made three new investments totalling £2.3m and four follow-on investments totalling £1.2m in the six months to 31 March 2020. Below are descriptions of the new investments made:

- **Rezatec Ltd** (unquoted) has developed a data-as-a-service platform which analyses satellite imagery and other geospatial data to deliver actionable insight to customers who own and operate distributed land-based assets such as utility providers and forestry managers.
- **Glisser Ltd** (unquoted) is a slide sharing and audience response software platform for live and virtual events, driving higher audience engagement and allowing organisers to measure event effectiveness.
- **Funding Xchange** (unquoted) connects SME borrowers and lenders using its own technology platform. It also sells the lending data back into banks to automate their underwriting decisions.

Following the period end, further follow on investments have been made into four investments totalling £1.9m.

#### Realisations

As reported in the Annual Accounts, the investment in CR7 was sold for nil proceeds in October 2019. CR7 required further investment beyond the levels expected and rather than invest, the shareholders agreed to sell the business to a strategic trade buyer. The investment was fully provided for during the last financial year.

Proceeds of £4.3m were received during the period from sales of quoted investments, including:

- **Synnovia** – a producer of technical plastic components, fully exited after a takeover approach from Camelot Capital Partners and delivered a 1.3x return on cost; and
- **Ideagen** – a provider of governance, risk and compliance software, a partial sale to realise profits, delivering a 5.5x return on cost.

Given the ongoing uncertainty, the Investment Manager expects the sale of unquoted investments to be delayed or put on hold.

The sale of Glide was successfully completed on 31 May 2020, however, the sale process for this business was well progressed before the COVID-19 crisis. The sale delivered total proceeds of £6.2m for a total gross money multiple of 2.6x cost. This return is in addition to the 4.8x return made on the original partial exit in 2013 and represents a strong long-term investment return for shareholders.

There continues to be liquidity in the public markets and the Investment Manager has made a select number of divestments within the quoted portfolio where share prices have rallied strongly since the initial fall during March.

Following the end of the financial period, partial realisations have been made in CentralNic Group plc realising proceeds of £0.6m and a 2.5x return on cost and Bioventix plc realising proceeds of £0.2m and a 16.4x return on cost. In addition to the partial divestment in the six month period to 31 March 2020, further sales have been made in Ideagen plc realising proceeds of £2.5m and a 6.3x return on cost.

#### COVID-19 OPERATIONAL RISKS

In addition to the investment portfolio risks facing the Company due to COVID-19, the current pandemic has presented operational risks for the Company in respect to the resilience of third party service providers. The Board has appreciated the swift response of key service providers including the Investment Manager (Gresham House), the Registrar (Computershare) and Link Asset Services who provide both Company Secretarial support and fund administration to the Company. All key service providers have been able to implement their business continuity plans and move to working from home in line with Government advice.

#### DIVIDENDS

The Board is pleased to declare an interim dividend of 3p per share for the year to 30 September 2020. This will be paid on 11 September 2020 to shareholders on the register as of 14 August 2020.

In September 2019, the Board announced a change to the dividend policy. The updated policy targets an annual dividend yield based on 7 per cent of the NAV at the start of the financial year. The Company has good levels of realised reserves to fund future dividends and the Investment Manager continues to focus on consistently selling investments and generating realised profits across the portfolio.

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## Chairman's Statement

I must of course remind shareholders that the payment date and the amount of future dividends depends on the level and timing of profitable realisations and cannot be guaranteed. Inevitably, as in the past, there will be variations in the amounts and dates on which dividends are paid.

### FUNDRAISING

During the period, the Company successfully raised £25m (before costs) through an offer for subscription which became fully subscribed in March 2020. The Directors are pleased to welcome the 685 new shareholders who invested for the first time and to thank the 730 existing shareholders who continue to support the Company.

The Board will consider whether to raise new funds in the 2020/21 tax year which will be determined by the Company's cashflow and its anticipated requirements to fund new investments over the next two years. The Board appreciates that shareholders would like as much notice as possible of its fundraising intentions and will ensure that shareholders are informed as soon as possible.

### OUTLOOK

The impact of COVID-19 has been significant for us all, across our personal and business lives. The Board has been reassured by the swift reaction of the Investment Manager and their support given to Investee Companies.

While COVID-19 presents an unprecedented challenge to the country and economy, the Board believes that Baronsmead is well prepared to play its role in the economic recovery by continuing to support entrepreneurial, high growth SMEs. We remain focused on delivering value for shareholders and providing support to our existing portfolio companies while continuing to identify new, attractive investment opportunities.

**Peter Lawrence**  
Chairman

3 June 2020



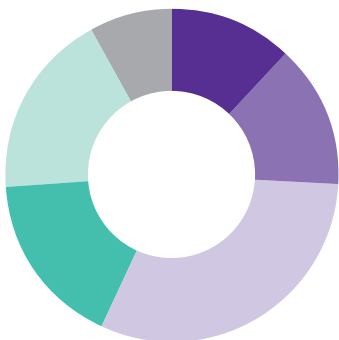
## Investment Portfolio at 31 March 2020

### Sector by value



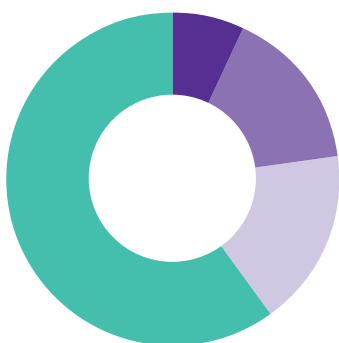
Business Services	23%
Consumer Markets	10%
Healthcare & Education	19%
Technology, Media & Telecommunications ("TMT")	48%

### Total assets by value



Unquoted – loan notes	12%
Unquoted – equity	14%
AIM – quoted	31%
Collective investment vehicles	17%
Cash liquidity funds	18%
Net current assets	8%

### Time investments held by value



Less than 1 year	7%
Between 1 and 3 years	16%
Between 3 and 5 years	17%
Greater than 5 years	60%

## Investment Portfolio at 31 March 2020

### Investments in the period

Company	Location	Sector	Activity	Book cost £'000
<b>Unquoted investments</b>				
<i>New</i>				
Rezatec Ltd	Oxfordshire	TMT	A geospatial data analytics business selling into the forestry and utilities sectors worldwide	1,380
Glisser Ltd	London	Business Services	Audience response software	587
Funding Xchange Ltd	London	Business Services	SME lending marketplace	352
<i>Follow on</i>				
Storyshare Holdings Ltd	London	TMT	Business App developer	470
Tribe Digital Holdings Pty Ltd	London	TMT	Influencer marketing platform	247
Munnypot Ltd	West Sussex	TMT	Automated online investment platform	223
<b>Total unquoted investments</b>				<b>3,259</b>
<b>Quoted investments</b>				
<i>Follow on</i>				
Eden Research plc	Gloucestershire	Business Services	Developer of biological fungicides and bio equivalents	225
<b>Total quoted investments</b>				<b>225</b>
<b>Total investments in the period</b>				<b>3,484</b>

### Realisations in the period

Company		First investment date	Book cost £'000	Proceeds £'000	Overall multiple return
<b>Unquoted realisations</b>					
CR7 Services Ltd	Write Off	Aug 14	1,808	0	0.0
<b>Total unquoted realisations</b>			<b>1,808</b>	<b>0</b>	
<b>Quoted realisations</b>					
Synnovia plc	Takeover	Nov 07	1,586	1,990	1.3
Ideagen plc	Market sale	Jan 13	348	1,899	5.5
STM Group plc	Market sale	Mar 08	199	132	0.7
Synectics plc	Market sale	Dec 09	518	289	0.6
APC Technology Group plc <sup>#</sup>	Exchange	Sep 14	79	22	0.3
Brady plc	Market sale	Dec 10	352	12	0.0
MXC Capital Ltd	Repurchase	May 15	5	5	0.9
<b>Total quoted realisations</b>			<b>3,087</b>	<b>4,349</b>	
<b>Total realisations in the period</b>			<b>4,895</b>	<b>4,349</b>	

<sup>#</sup> APC shares were received as part of an exchange; book cost of APC shares when received is listed here.

# Responsibility Statement of the Directors in respect of the Half-Yearly Financial Report

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Baronsmead Venture Trust plc  
Half-yearly report for the six months  
ended 31 March 2020

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with FRS 104 Interim Financial Reporting
- the interim management report includes a fair review of the information required by:
  - a) DTR 4.2.7R of the *Disclosure Guidance and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - b) DTR 4.2.8R of the *Disclosure Guidance and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Half-yearly Financial Report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

**Peter Lawrence**  
Chairman

3 June 2020

# Condensed Income Statement (unaudited)

For the six months to 31 March 2020

	Notes	Six months to 31 March 2020			Six months to 31 March 2019			Year to 30 September 2019		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments	7	–	(13,269)	(13,269)	–	(12,316)	(12,316)	–	(16,181)	(16,181)
Income		369	–	369	1,125	–	1,125	2,665	–	2,665
Investment management fee		(363)	(1,088)	(1,451)	(369)	(1,106)	(1,475)	(735)	(2,204)	(2,939)
Other expenses		(331)	–	(331)	(326)	–	(326)	(597)	–	(597)
<b>(Loss)/profit on ordinary activities before taxation</b>		(325)	(14,357)	(14,682)	430	(13,422)	(12,992)	1,333	(18,385)	(17,052)
Taxation on ordinary activities		–	–	–	–	–	–	(61)	61	–
<b>(Loss)/profit on ordinary activities after taxation</b>		(325)	(14,357)	(14,682)	430	(13,422)	(12,992)	1,272	(18,324)	(17,052)
<b>Return per ordinary share:</b>										
Basic and Diluted	2	(0.15p)	(6.65p)	(6.80p)	0.22p	(6.88p)	(6.66p)	0.64p	(9.22p)	(8.58p)

All items in the above statement derive from continuing operations.

There are no recognised gains and losses other than those disclosed in the Income Statement.

The revenue column of the Income Statement includes all income and expenses. The capital column accounts for the realised and unrealised profit or loss on investments and the proportion of the management fee charged to capital.

The total column of this statement is the unaudited Statement of Total Comprehensive Income of the Company prepared in accordance with the Financial Reporting Standard ("FRS"). The supplementary revenue return and capital return columns are prepared in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies ("AIC SORP").

# Condensed Statement of Changes in Equity (unaudited)

Baronsmead Venture Trust plc

Half-yearly report for the six months ended 31 March 2020

For the six months to 31 March 2020

	Notes	Non-distributable reserves			Distributable Reserves		Total £'000
		Called-up share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital reserve £'000	Revenue reserve £'000	
<b>At 1 October 2019</b>		<b>22,053</b>	<b>28,397</b>	<b>26,909</b>	<b>72,401</b>	<b>1,309</b>	<b>151,069</b>
Loss after taxation		–	–	(11,945)	(2,412)	(325)	(14,682)
Net proceeds of share issues, share buybacks & sale of shares from treasury	4	3,215	21,000	–	(1,265)	–	22,950
Dividends paid	6	–	–	–	(7,100)	(665)	(7,765)
<b>At 31 March 2020</b>		<b>25,268</b>	<b>49,397</b>	<b>14,964</b>	<b>61,624</b>	<b>319</b>	<b>151,572</b>

	Notes	Non-distributable reserves			Distributable Reserves		Total £'000
		Called-up share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital reserve £'000	Revenue reserve £'000	
<b>At 1 October 2018</b>		20,628	18,154	50,283	83,004	3,406	175,475
(Loss)/profit after taxation		–	–	(11,468)	(1,954)	430	(12,992)
Net proceeds of share issues, share buybacks & sale of shares from treasury		1,425	10,243	–	(1,540)	–	10,128
Dividends paid		–	–	–	(6,135)	(3,067)	(9,202)
<b>At 31 March 2019</b>		<b>22,053</b>	<b>28,397</b>	<b>38,815</b>	<b>73,375</b>	<b>769</b>	<b>163,409</b>

	Notes	Non-distributable reserves			Distributable Reserves		Total £'000
		Called-up share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital reserve £'000	Revenue reserve £'000	
<b>At 1 October 2018</b>		20,628	18,154	50,283	83,004	3,406	175,475
(Loss)/profit after taxation		–	–	(23,374)	5,050	1,272	(17,052)
Net proceeds of share issues & share buybacks		1,425	10,243	–	(3,783)	–	7,885
Dividends paid		–	–	–	(11,870)	(3,369)	(15,239)
<b>At 30 September 2019</b>		<b>22,053</b>	<b>28,397</b>	<b>26,909</b>	<b>72,401</b>	<b>1,309</b>	<b>151,069</b>

# Condensed Balance Sheet (unaudited)

As at 31 March 2020

	Notes	As at 31 March 2020 £'000	As at 31 March 2019 £'000	As at 30 September 2019 £'000
<b>Fixed assets</b>				
Unquoted investments	7	38,894	43,812	41,681
Traded on AIM	7	46,570	63,702	54,241
Collective investment vehicles	7	53,117	55,572	46,793
Investments	7	138,581	163,086	142,715
<b>Current assets</b>				
Debtors		2,297	93	176
Cash at bank and on deposit		11,801	1,211	9,792
<b>Creditors</b> (amounts falling due within one year)		14,098 (1,107)	1,304 (981)	9,968 (1,614)
<b>Net current assets</b>		12,991	323	8,354
<b>Net assets</b>		151,572	163,409	151,069
<b>Capital and reserves</b>				
Called-up share capital		25,268	22,053	22,053
Share premium		49,397	28,397	28,397
Capital reserve		61,624	73,375	72,401
Revaluation reserve	7	14,964	38,815	26,909
Revenue reserve		319	769	1,309
<b>Equity shareholders' funds</b>		151,572	163,409	151,069
<b>Basic net asset value per share</b>				
Number of ordinary shares in circulation		65.43p 231,667,817	80.02p 204,201,568	75.05p 201,285,693

# Condensed Statement of Cash Flows (unaudited)

Baronsmead Venture Trust plc  
Half-yearly report for the six months ended 31 March 2020

For the six months to 31 March 2020

	<b>Six months to 31 March 2020</b>	Six months to 31 March 2019	Year to 30 September 2019
	<b>£'000</b>	£'000	£'000
Net cash outflow from operating activities	<b>(1,327)</b>	(1,154)	(1,472)
Net cash (outflow)/inflow from investing activities	<b>(9,852)</b>	347	17,566
Equity dividends paid	<b>(7,765)</b>	(9,202)	(15,239)
Net cash (outflow)/inflow before financing activities	<b>(18,944)</b>	(10,009)	855
Net cash inflow from financing activities	<b>20,953</b>	10,130	7,847
<b>Increase in cash</b>	<b>2,009</b>	121	8,702
<b>Reconciliation of net cash flow to movement in net cash</b>			
Increase in cash	<b>2,009</b>	121	8,702
Opening cash at bank and on deposit	<b>9,792</b>	1,090	1,090
<b>Closing cash at bank and on deposit</b>	<b>11,801</b>	1,211	9,792
<b>Reconciliation of loss on ordinary activities before taxation to net cash outflow from operating activities</b>			
Loss on ordinary activities before taxation	<b>(14,682)</b>	(12,992)	(17,052)
Losses on investments	<b>13,269</b>	12,316	16,181
Changes in working capital and other non-cash items	<b>86</b>	(478)	(601)
Net cash outflow from operating activities	<b>(1,327)</b>	(1,154)	(1,472)

## Notes

- The condensed financial statements for the six months to 31 March 2020 comprise the unaudited statements set out on pages 10 to 13 together with the related notes on pages 13 to 15. The Company applies FRS 102 and the AIC's Statement of Recommended Practice ('the SORP') for its annual financial statements. The condensed financial statements for the six months to 31 March 2020 have therefore been prepared in accordance with FRS 104 'Interim Financial Reporting' and the principles of the SORP. They have been prepared on a going concern basis. The accounts have been prepared on the same basis as the accounting policies set out in the Company's Annual Report and Financial Statements for the year ended 30 September 2019.  
The financial information contained in this half-yearly financial report does not constitute statutory accounts as defined in sections 434 - 436 of the Companies Act 2006. The information for the year to 30 September 2019 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the auditor for the audited financial statements for the year to 30 September 2019 was: (i) unqualified; (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. No statutory accounts in respect of any period after 30 September 2019 have been reported on by the Company's auditors or delivered to the Registrar of Companies.
- Return per share is based on a weighted average of 215,978,185 ordinary shares in issue (31 March 2019 – 194,979,148 ordinary shares; 30 September 2019 – 198,747,709 ordinary shares).
- Earnings for the first six months to 31 March 2020 should not be taken as a guide to the results of the full financial year to 30 September 2020.

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4. During the six months to 31 March 2020, the Company issued 32,152,130 shares at net proceeds of £24,215,249 (after costs). During the same period, the Company purchased 1,770,006 shares to be held in treasury at a cost of £1,265,330. At 31 March 2020, the Company held 21,017,988 ordinary shares in treasury. Shares may be sold out of treasury below Net Asset Value as long as the discount at issue is narrower than the average discount at which the shares were bought into treasury.
  5. Excluding treasury shares, there were 231,667,817 ordinary shares in issue at 31 March 2020 (31 March 2019 – 204,201,568 ordinary shares; 30 September 2019 – 201,285,693 ordinary shares).
  6. The final dividend for the year ended 30 September 2019 of 3.5p per share (3.20p capital, 0.30p revenue) was paid on 6 March 2020 to shareholders on the register on 7 February 2020. The ex-dividend date was 6 February 2020. During the year to 30 September 2019, the Company paid an interim dividend in September 2019 of 3.0p per share (3.0p capital).

7. All investments are initially recognised and subsequently measured at fair value. Changes in fair value are recognised in the Income Statement.

The methods of fair value measurement are classified into a hierarchy based on reliability of the information used to determine the valuation.

- Level 1 – Fair value is measured based on quoted prices in an active market.
- Level 2 – Fair value is measured based on directly observable current market prices or indirectly being derived from market prices.
- Level 3 – Fair value is measured using a valuation technique that is not based on data from an observable market.

The valuation of unquoted investments contained within level 3 of the Fair Value hierarchy involves key assumptions dependent upon the valuation methodology used. The primary methodologies applied are:

- Rebased Cost
- Earnings Multiple
- Offer Less 10 per cent

The earnings multiple approach involves more subjective inputs than the Rebased Cost and Offer approaches and therefore presents a greater risk of over or under estimation. Key assumptions for the Multiples approach are the selection of comparable companies and the use of either historic or forecast earnings, as considered most appropriate. Other assumptions include the appropriateness of the discount magnitude applied for reduced liquidity and other qualitative factors. These assumptions are described in more detail in Note 2.3 in the Company's Report and Financial Statements for the year to 30 September 2019. The techniques used in the valuation of unquoted investments have not changed materially since the date of that Report.



## Notes (continued)

### 7. Investments (continued)

	Level 1	Level 2		Level 3		Total £'000
	Traded on AIM £'000	Traded on AIM £'000	Collective investment vehicles £'000	Traded on AIM £'000	Unquoted £'000	
Opening book cost	45,024	6,520	33,091	–	31,171	115,806
Opening unrealised appreciation/(depreciation)	3,347	(650)	13,702	–	10,510	26,909
	<b>48,371</b>	<b>5,870</b>	<b>46,793</b>	<b>–</b>	<b>41,681</b>	<b>142,715</b>
Movements in the period:						
Transfer between levels	3,471	(6,520)	–	2,315	734	–
Purchases at cost	225	–	21,500	–	3,259	24,984
Sale - proceeds	(4,349)	–	(11,500)	–	–	(15,849)
- realised (losses)/gains on sales	(25)	–	–	–	–	(25)
Unrealised (losses)/gains realised during the period	508	–	–	–	(1,808)	(1,300)
(Decrease)/increase in unrealised appreciation	(1,642)	650	(3,676)	(2,304)	(4,972)	(11,944)
<b>Closing valuation</b>	<b>46,559</b>	<b>–</b>	<b>53,117</b>	<b>11</b>	<b>38,894</b>	<b>138,581</b>
Closing book cost	44,854	–	43,091	2,315	33,356	123,616
Closing unrealised appreciation/(depreciation)	1,705	–	10,026	(2,304)	5,538	14,965
<b>Closing valuation</b>	<b>46,559</b>	<b>–</b>	<b>53,117</b>	<b>11</b>	<b>38,894</b>	<b>138,581</b>
Equity shares	46,559	–	–	11	18,472	65,042
Preference shares	–	–	–	–	2,144	2,144
Loan notes	–	–	–	–	18,278	18,278
Collective investment vehicles	–	–	53,117	–	–	53,117
<b>Closing valuation</b>	<b>46,559</b>	<b>–</b>	<b>53,117</b>	<b>11</b>	<b>38,894</b>	<b>138,581</b>

Two investments held, MXC Capital Ltd (previously Level 1) and Mi-Pay Group plc (previously Level 2) were transferred to Level 3 following their delisting from AIM. The investment in Hawkwing plc (previously Level 1) has been transferred to Level 3 following a temporary suspension from trading on AIM. The AIM-traded investments held in Level 2 as at 30 September 2019 have been transferred to Level 1 after recent trading activity in the period.

8. The Company has one reportable segment being investing in primarily a portfolio of UK growth businesses, whether unquoted or traded on AIM.
9. Copies of the half-yearly financial report have been made available to shareholders and are available from Gresham House, Octagon Point, 5 Cheapside, London EC2V 6AA.

## Principal Risks and Uncertainties

The Company's financial instruments consist of equity and fixed interest investments, cash balances and liquid resources. Its principal risks are therefore market risk, credit risk and liquidity risk. Other risks faced by the Company include loss of approval as a Venture Capital Trust, legislative, investment performance, economic, political and other external factors, regulatory and compliance and operational risks. These risks, and the way in which they are managed, are described in more detail in the Principal Risks & Uncertainties table within the Strategic Report section in the Company's Report and Financial Statements for the year to 30 September 2019. The Board continues to regularly review the risk environment in which the Company operates. Other than the impact of the COVID-19 pandemic, there have been no significant changes to the key risks described in that report.

The COVID-19 pandemic has presented the Company with additional immediate risks in respect of the performance and valuation of portfolio companies and operational risks such as the resilience of third party providers. These risks are discussed in detail in the Chairman's statement.

## Investment in Associates

The Company has made the presumption that the following holding is an investment in an associate, owing to the proportion of equity held and representation on the board representing significant influence over the operations of the company. The investment is held as part of an investment portfolio, and is therefore measured at fair value through profit and loss, as detailed in note 7 rather than using the equity method, as permitted by Section 14 of FRS 102:

Name	Location	Class of Shares held	% of Equity	Profit (£m)	Net Assets (£m)	Results for year ended
Happy Days Consultancy	UK	A Ordinary	25.7	(1.9)	(8.2)	31 December 2018 <sup>1</sup>

<sup>1</sup> Latest published set of financial statements available at Companies House. 31 December 2019 financial statements due at Companies House by 30 September 2020.

## Related Parties

Gresham House Asset Management Ltd ('the Manager') manages the investments of the Company. The Manager also provides or procures the provision of secretarial, administrative and custodian services to the Company. Under the management agreement, the Manager receives a fee of 2.0 per cent per annum of the net assets of the Company. This is described in more detail under the heading 'The management agreement' within the Strategic Report in the Company's Annual Report and Financial Statements for the year to 30 September 2019. During the period the Company has incurred management fees of £1,451,000 (31 March 2019 – £1,475,000; 30 September 2019 – £2,939,000) and secretarial fees of £77,500 (31 March 2019 – £75,000; 30 September 2019 – £152,000) payable to the Manager. No performance fee has been accrued at 31 March 2020 (31 March 2019 – £nil; 30 September 2019 – £nil). This is described in more detail under the heading 'Performance fees' within the Strategic Report in the Company's Annual Report and Financial Statements for the year to 30 September 2019.

A related party relationship exists between Baronsmead Venture Trust and Happy Days Consultancy Limited, owing to the significant influence deemed to be held over the operations of the company. As at 31 March 2020, the loan balance stood at £5,153,000, including £2,075,000 of capitalised interest, as provided for in the Agreement with the company.

## Going Concern

The Board has considered a detailed assessment of the company's ability to meet its liabilities as they fall due, including stress and liquidity tests which modelled the effects of substantial falls in markets and significant reductions in market liquidity (including further stressing the current economic conditions caused by the COVID-19 pandemic) on the Company's assets and liabilities. In light of the results of these tests, the Company's cash balances, the liquidity of the Company's investments and the absence of any gearing, the Directors are satisfied that the Company has adequate financial resources to continue in operation for at least the next 12 months and that, accordingly, it is appropriate to adopt the going concern basis in preparing the financial statements.

## Post balance sheet events

The following events occurred between the balance sheet date and the signing of these financial statements:

- The COVID-19 pandemic continues to adversely impact the UK and world economy. This has had an effect on both the unquoted and quoted portfolios which have been reflected in the fair value of the investments at 31 March 2020. As the full impact of the pandemic and Government restrictions is unknown, there may be further information that emerges but the impact of this could not be known at 31 March 2020.

The 30 April 2020 NAV of 69.9p was announced on 12 May 2020. At the date of publishing this report, the Board is unaware of any matter that will have caused the NAV per share to have changed significantly since the latest NAV.

- Three partial realisations: Ideagen plc realising proceeds of £2.5m and a return of 6.3x cost, CentralNic Group plc realising proceeds of £0.6m and a return of 2.5x cost and Bioventix plc realising proceeds of £0.2m and a return of 16.4x cost.
- Full realisation: Glide Ltd was sold on 31 May 2020 realising proceeds of £6.2m and a return of 2.6x cost.
- Four follow on investments, totalling £1.9m.

# Appendices

## Full Investment Portfolio

Company	Sector	Original Book cost £'000	Accounting Book cost <sup>†</sup> £'000	31 March 2020 Valuation £'000	30 September 2019 Valuation £'000	% of net assets	% of Equity held by Baronsmead Venture Trust plc	% of Equity held by all funds <sup>4</sup>
<b>Unquoted</b>								
Carousel Logistics Ltd	Business Services	1,910	2,287	<b>6,246</b>	8,028	4.1	12.0	26.7
Glide Ltd	TMT	2,500	2,731	<b>5,970</b>	4,892	4.0	4.0	8.1
Ten10 Group Ltd	Business Services	1,908	2,137	<b>3,499</b>	3,424	2.3	9.3	20.8
Custom Materials Ltd	TMT	1,598	1,598	<b>3,356</b>	2,998	2.2	7.2	16.1
Pho Holdings Ltd	Consumer Markets	1,982	2,579	<b>3,286</b>	4,411	2.2	12.9	28.6
Happy Days Consultancy Ltd	Healthcare & Education	3,420	3,591	<b>3,067</b>	5,027	2.0	25.7	57.2
IWP Holdings Ltd	Business Services	1,407	1,407	<b>1,407</b>	1,407	0.9	3.7	9.0
Rezatec Ltd	TMT	1,380	1,380	<b>1,380</b>	–	0.9	0.0	0.0
SecureCloud+ Ltd	TMT	700	700	<b>1,300</b>	700	0.9	7.8	16.6
Storyshare Holdings Ltd	TMT	1,006	1,006	<b>1,006</b>	536	0.7	21.8	49.4
Tribe Digital Holdings Ltd	TMT	946	946	<b>946</b>	699	0.6	3.1	6.7
Your Welcome Ltd	TMT	915	914	<b>914</b>	914	0.6	7.4	15.6
Vinoteca Ltd	Consumer Markets	934	934	<b>893</b>	934	0.6	5.9	14.3
CISIV Ltd	TMT	700	700	<b>700</b>	700	0.5	8.2	17.5
Pointr Ltd	TMT	466	466	<b>659</b>	466	0.4	2.5	5.3
Glisser Ltd	Business Services	587	587	<b>587</b>	–	0.4	5.1	12.3
TravelLocal Ltd	Consumer Markets	705	705	<b>529</b>	705	0.4	3.9	9.5
Equipme (Holdings) Ltd	Business Services	513	513	<b>513</b>	513	0.3	4.7	10.0
Munnypot Ltd	TMT	446	447	<b>500</b>	223	0.3	1.2	2.7
Yappy Ltd	Consumer Markets	470	470	<b>470</b>	470	0.3	6.7	16.3
CMME Group Ltd	Consumer Markets	931	930	<b>370</b>	555	0.3	6.2	13.9
Funding Xchange Ltd	Business Services	353	352	<b>353</b>	–	0.2	1.7	4.2
Rainbird Technologies Ltd	TMT	700	700	<b>350</b>	525	0.2	3.0	6.3
Rockfish Group Ltd	Consumer Markets	700	700	<b>350</b>	700	0.2	5.8	12.5
Key Travel Ltd	Business Services	208	209	<b>243</b>	234	0.2	0.0	0.0
Armstrong Craven Ltd	Business Services	740	1,151	<b>0</b>	795	0.0	19.6	43.7
InterQuest Group plc	Business Services	620	754	<b>0</b>	0	0.0	2.2	4.3
Labrador Ltd	TMT	233	233	<b>0</b>	0	0.0	2.8	6.0
Mi-Pay Group plc	Business Services	800	474	<b>0</b>	42	0.0	1.4	2.8
MXC Capital Ltd	Business Services	221	260	<b>0</b>	180	0.0	0.3	0.6
Samuel Knight International Ltd	Business Services	705	705	<b>0</b>	528	0.0	6.2	15.0
SilkFred Ltd	Consumer Markets	790	790	<b>0</b>	1,297	0.0	2.3	5.1
<b>Total unquoted</b>		<b>31,494</b>	<b>33,356</b>	<b>38,894</b>		<b>25.7</b>		
<b>AIM-traded</b>								
Ideagen plc	TMT	1,002	1,347	<b>6,033</b>	7,323	4.0	1.6	4.7
Bioventix plc	Healthcare & Education	320	846	<b>4,453</b>	4,514	2.9	2.4	6.0
Cerillion plc	TMT	1,800	1,800	<b>4,263</b>	4,074	2.8	8.0	17.8
Netcall plc	TMT	1,738	3,246	<b>2,773</b>	2,674	1.8	6.9	20.4
Wey Education plc	Healthcare & Education	428	458	<b>2,736</b>	1,282	1.8	8.8	19.6
Inspired Energy plc	Business Services	574	1,542	<b>2,372</b>	2,755	1.6	2.6	15.7
Diaceutics plc	Healthcare & Education	1,410	1,410	<b>2,226</b>	1,688	1.5	2.7	8.6
IDOX plc	TMT	614	614	<b>2,178</b>	2,030	1.4	1.4	3.9
CentralNic Group plc	TMT	918	1,048	<b>1,838</b>	1,130	1.2	1.2	7.0
CloudCall Group plc	TMT	2,135	2,052	<b>1,613</b>	2,272	1.1	5.9	13.2
Anpario plc	Healthcare & Education	304	768	<b>1,364</b>	1,408	0.9	1.9	6.1
IXICO plc	Healthcare & Education	675	675	<b>1,350</b>	1,205	0.9	5.1	11.4
Property Franchise Group plc	Consumer Markets	686	806	<b>995</b>	1,084	0.7	2.1	7.9
Everyman Media Group plc	Consumer Markets	782	825	<b>943</b>	1,717	0.6	1.3	2.8
Eden Research plc	Business Services	1,125	1,125	<b>878</b>	724	0.6	6.1	13.4

Company	Sector	Original Book cost £'000	Accounting Book cost <sup>†</sup> £'000	31 March 2020 Valuation £'000	30 September 2019 Valuation £'000	% of net assets	% of Equity held by Baronsmead Venture Trust plc	% of Equity held by all funds <sup>#</sup>
<b>AIM-traded (continued)</b>								
Driver Group plc	Business Services	1,126	1,306	873	1,092	0.6	4.2	15.1
Begbies Traynor Group plc	Business Services	433	474	857	857	0.6	0.8	1.8
Entertainment AI plc	TMT	1,410	1,410	783	1,567	0.5	6.3	13.3
Vianet Group plc	Business Services	1,292	1,144	746	1,191	0.5	3.6	14.3
Access Intelligence plc	Business Services	586	586	705	762	0.5	1.9	4.2
Dods (Group) plc	TMT	2,022	2,545	681	1,771	0.4	4.9	12.3
Belvoir Lettings plc	Consumer Markets	752	671	571	652	0.4	1.8	6.1
SysGroup plc	TMT	1,292	1,310	559	767	0.4	1.0	25.1
Beeks Financial Cloud Group plc	TMT	337	337	540	580	0.4	1.3	2.9
Castleton Technology plc	TMT	202	410	496	695	0.3	0.9	2.1
Fusion Antibodies plc	Healthcare & Education	450	450	494	357	0.3	2.5	5.5
The Panopoly Holdings plc	TMT	585	585	395	672	0.3	1.9	3.1
Open Orphan plc (formerly Venn Life Sciences Holdings plc)	Healthcare & Education	1,224	1,289	365	353	0.2	1.1	2.4
Rossllyn Data Technologies plc	TMT	431	431	335	689	0.2	2.7	11.0
LoopUp Group plc	TMT	504	504	312	277	0.2	0.9	2.0
PCI-PAL plc	TMT	405	405	252	234	0.2	1.4	4.7
Scholium Group plc	Consumer Markets	900	626	252	333	0.2	5.0	14.7
KRM22 plc	TMT	450	450	216	225	0.1	2.1	4.8
Gresham House plc	Business Services	112	116	204	223	0.1	0.1	0.3
Gama Aviation plc	Business Services	776	1,002	162	320	0.1	0.7	1.7
Science In Sport plc	Consumer Markets	288	263	151	253	0.1	6.6	0.9
Staffline Group plc	Business Services	174	4,614	126	724	0.1	0.4	11.7
One Media iP Group plc	TMT	226	179	106	100	0.1	1.6	3.6
Collagen Solutions plc	Healthcare & Education	450	451	90	316	0.1	2.0	4.5
Fulcrum Utility Services Ltd	Business Services	102	100	71	112	0.0	0.2	3.4
Zoo Digital Group plc	TMT	788	442	54	79	0.0	0.1	0.3
Totally plc	Healthcare & Education	70	170	47	36	0.0	0.2	0.5
Tasty plc	Consumer Markets	1,188	2,832	40	86	0.0	4.2	14.2
CloudCoco Group plc (formerly Adept4 plc)	TMT	438	339	21	67	0.0	0.5	3.9
I-nexus Global plc	TMT	563	562	21	178	0.0	2.4	5.4
AorTech International plc	Healthcare & Education	509	289	19	13	0.0	0.2	0.2
Hawkwing plc (formerly TLA Worldwide plc)	Business Services	1,466	2,315	11	73	0.0	5.1	12.5
<b>Total AIM-traded</b>		<b>36,062</b>	<b>47,169</b>	<b>46,570</b>		<b>30.7</b>		
<b>Collective investment vehicles</b>								
LF Gresham House UK Micro Cap Fund		7,050	12,451	22,459	25,845	14.8		
BlackRock Sterling Liquidity Fund		14,070	14,070	14,070	9,070	9.3		
JPMorgan Sterling Liquidity Fund		14,070	14,070	14,070	9,070	9.3		
LF Gresham House UK Multi Cap Income Fund		2,500	2,500	2,518	2,808	1.6		
<b>Total collective investment vehicles</b>		<b>37,690</b>	<b>43,091</b>	<b>53,117</b>		<b>35.0</b>		
<b>Total investments</b>		<b>105,246</b>	<b>123,616</b>	<b>138,581</b>		<b>91.4</b>		
<b>Net current assets</b>				<b>12,991</b>		<b>8.6</b>		
<b>Net assets</b>				<b>151,572</b>		<b>100.0</b>		

<sup>†</sup> The original cost column provides the combined cost of investments made by BVCT and BVCT2 prior to the merger of the two VCTs to become BVT. This is included for information purposes for shareholders reviewing the portfolio.

The accounting cost column ties into the investment note on page 15 of these accounts.

<sup>#</sup> All funds managed by the same investment manager, Gresham House Asset Management Ltd.

# Glossary

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<b>AIM</b>	The Alternative Investment Market, a sub-market of the London Stock Exchange, designed to help smaller companies access capital from the public market.
<b>Annual Dividend Yield</b>	The ratio of dividend paid/declared for financial year divided by opening net asset value per share.
<b>Book Cost (Original)</b>	Total acquisition value, including transaction costs, less the value of any disposals or capitalised distributions allocated on a weighted average cost basis.
<b>Book Cost (Accounting)</b>	The original book cost of an asset, rebased to the value at which it was used in a subsequent transaction, such as a transfer between entities.
<b>Collective Investment Vehicle</b>	An entity which allows investors to pool their money, investing the pooled funds on their behalf.
<b>Discount/Premium</b>	If the share price is lower than the NAV per share it is said to be trading at a discount. The size of the Company's discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.
<b>EBITDA</b>	Earnings before Interest, Tax, Depreciation and Amortisation – a proxy for the cash flow generated by a business, most commonly used for businesses that do not (yet) generate operating or shareholder profits.
<b>IFA</b>	Independent Financial Advisors, professionals who offer independent advice to their clients and recommend suitable financial products.
<b>Key Performance Indicators (“KPIs”)</b>	A measurable value that demonstrates how effectively the Company is achieving core business objectives.
<b>NAV</b>	The total value of all the Company's assets, at current market value, having deducted all liabilities at their carrying value.
<b>NAV per share</b>	Total Net Asset Value divided by the number of shares.
<b>NAV total return</b>	A measure showing how the Net Asset Value has performed over a period of time, taking into account both capital returns and dividends paid to shareholders.
<b>Return on Cash Invested to shareholders</b>	The amount of cash returned to shareholders through income tax reclaimed, and cumulative dividends paid, expressed as a percentage of the initial investment.
<b>Shares Held in Treasury</b>	Shares in the Company repurchased by itself, reducing the number of freely traded shares.
<b>SME</b>	Small and medium-sized entities. These are independent companies which meet two of the three recognition criteria for small or medium companies according to EU Legislation.
<b>TMT</b>	Technology, Media and Telecommunications.
<b>Total Assets</b>	All assets, both current and non-current. An asset is an economic resource owned by an entity that can lead to an increase in economic value.
<b>VCT Value</b>	The value of an investment when acquired, rebased if the holding is added to or any payment is made which causes an increase or decrease in its value.
<b>80 per cent test</b>	Ensuring that the Company meets the requirement to hold 80 per cent of its investments in qualifying holdings.

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# Shareholder Information and Contact Details

Baronsmead Venture Trust plc  
Half-yearly report for the six months ended 31 March 2020

## Shareholder Account Queries

The Registrar for **Baronsmead Venture Trust** is Computershare Investor Services PLC (“Computershare”). The Registrar will deal with all of your queries with regard to your shareholder account, such as:

- Change of address
- Latest share price
- Your current share holding balance
- Your payment history, including any outstanding payments
- Your payment options (cheque, direct payment to your bank/building society account, reinvestment)
- Paper or electronic communications
- Request replacement cheques or share certificates (for which there may be additional administrative and other charges)

You can contact Computershare with your queries in several ways:

<b>Telephone:</b>	0800 923 1533	<ul style="list-style-type: none"><li>● This is an automated self-service system</li><li>● It is available 24 hours a day, 7 days a week</li><li>● You should have your Shareholder Reference Number (“SRN”) to hand, which is available on your share certificate and dividend tax voucher and which you should always keep confidential for security reasons</li><li>● Press ‘0’ if you wish to speak to someone</li><li>● The Contact Centre in Bristol is available on UK business days between 8.30am – 5.00pm Monday to Friday</li></ul>
<b>On-line:</b>	Investor Centre <a href="http://www.investorcentre.co.uk">www.investorcentre.co.uk</a>	<ul style="list-style-type: none"><li>● Computershare’s secure website, Investor Centre, allows you to manage your own shareholding online</li><li>● You will need to register to use this service on the Investor Centre web site</li><li>● You should have your SRN to hand, which is available on your share certificate and dividend tax voucher and which you should always keep confidential for security reasons</li></ul>
<b>Email:</b>	<a href="mailto:web.queries@computershare.co.uk">web.queries@computershare.co.uk</a>	
<b>Post:</b>	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ	

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## Share Price

The Company's shares are listed on the London Stock Exchange. Share price information can also be obtained from the link on the Company's website and many financial websites.

## Financial Calendar

August 2020 – Quarterly Factsheet to 30 June 2020

November 2020 – Announcement of final results for the year to 30 September 2020

February 2021 – Annual General Meeting

## Additional Information

The information provided in this report has been produced in order for shareholders to be informed of the activities of the Company during the period it covers. Gresham House Asset Management Ltd does not give investment advice and the naming of companies in this report is not a recommendation to deal in them.

Baronsmead Venture Trust plc is managed by Gresham House Asset Management Ltd which is Authorised and regulated by the FCA. Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount they originally invested. Where investments are made in unquoted securities and smaller companies, their potential volatility may increase the risk to the value of, and the income from, the investment.

## Secondary Market in the Shares of Baronsmead Venture Trust plc

The existing shares of the Company are listed on the London Stock Exchange and can be bought and sold using a stockbroker in the same way as shares of any other listed company.

The market makers in the shares of Baronsmead Venture Trust plc are:

Panmure Gordon & Co.	020 7886 2500 (the Company's broker)
Winterflood	020 3400 0251

Qualifying investors\* who invest in the existing shares of the Company can benefit from:

- Tax free dividends;
- Realised gains are not subject to capital gains tax (although any realised losses are not allowable);
- No minimum holding period; and
- No need to include VCT dividends in annual tax returns.

The UK tax treatment of VCTs is on a first in first out basis and therefore tax advice should be obtained before shareholders dispose of their shares and also if they deferred a capital gain in respect of new shares acquired prior to 6 April 2004.

\* UK income tax payers, aged 18 or over, who acquire no more than £200,000 worth of VCT shares in a tax year.



## Warning to Shareholders

It is possible that shareholders in the Company may be targeted by fraudsters. Information for shareholders concerning share fraud is set out below.

Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or an inflated price for shares they own or are otherwise told to transfer their shares. These calls come from fraudsters operating in 'boiler rooms' that are mostly based abroad.

While high profits are promised, those who buy or sell shares in this way usually lose their money.

## Protect Yourself

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money or share certificates:

1. Get the name of the person and organisation contacting you.
2. Check the FCA Register at [www.fca.org.uk/register](http://www.fca.org.uk/register) to ensure they are authorised (or [www.fca.org.uk/publication/systems-information/aifmd-small-register.pdf](http://www.fca.org.uk/publication/systems-information/aifmd-small-register.pdf)).
3. Use the details on the FCA Register to contact the firm.
4. Call the FCA Consumer Helpline on **0800 111 6768** (freephone) from 8am to 6pm, Monday to Friday (except public holidays) and 9am to 1pm, Saturday (from abroad call **+44 20 7066 1000**) if there are no contact details on the Register or you are told they are out of date.
5. Search the FCA's list of unauthorised firms and individuals to avoid doing business with.
6. **REMEMBER: if it sounds too good to be true, it probably is!**

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service (<https://www.financial-ombudsman.org.uk/>) or Financial Services Compensation Scheme (<https://www.fscs.org.uk/>) if things go wrong.

## Report a Scam

If you are approached about a share scam you should tell the FCA using the Share Fraud Reporting Form ([www.fca.org.uk/consumers/report-scam-unauthorised-firm](http://www.fca.org.uk/consumers/report-scam-unauthorised-firm)), where you can find out about the latest investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**.

**If you have already paid money (or otherwise dealt with share fraudsters) you should contact ActionFraud on 0300 123 2040 or use the ActionFraud (<https://www.actionfraudalert.co.uk/>) Online Reporting Tool.**

More detailed information on this or similar activity can be found on the FCA web site.

# Corporate Information

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## Directors

Peter Lawrence (Chairman)  
Valerie Marshall<sup>#</sup>  
Les Gabb\*  
Susannah Nicklin<sup>†</sup>

## Secretary

Gresham House Asset Management Ltd

## Registered Office

5 New Street Square  
London EC4A 3TW

## Investment Manager

Gresham House Asset Management Ltd  
5 New Street Square  
London EC4A 3TW  
020 3875 9862

## Registered Number

03504214

## Registrars and Transfer Office

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ  
0800 923 1533

## Brokers

Panmure Gordon & Co  
One New Change  
London EC4M 9AF  
020 7886 2500

## Auditor

KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh EH1 2EG

## Solicitors

Dickson Minto  
Broadgate Tower  
20 Primrose Street  
London EC2A 2EW

## VCT Status Adviser

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH

## Website

[www.baronsmeadvcts.co.uk](http://www.baronsmeadvcts.co.uk)

<sup>#</sup> Senior Independent Director and Chairman of the Nomination Committee.

\* Chairman of the Audit Committee.

<sup>†</sup> Chairman of the Management Engagement and Remuneration Committee.





**Gresham House**  
*Specialist asset management*

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